

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Morocco Grain Update 2010

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Grain and Feed

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Report Highlights:

Moroccan grain production estimate for the 2010 campaign has been revised downward; from 8 million MT to 7.46 million MT. Total wheat production in Morocco is estimated at 4.89 million MT, of which 3.25 million MT soft wheat and 1.64 million MT durum wheat. The Moroccan government has decided to suspend the customs duty on soft wheat imports, currently at 135 percent, effective September 16 until December 31, 2010.

Moroccan Grain Production Estimate Revised

The Moroccan Ministry of Agriculture has revised downward its estimate of total grain production for the 2010 campaign, from 8 million MT to 7.46 million MT. This year's production level is about 27 percent lower than the exceptional record harvest of 10.2 million MT in 2009, but 21 percent higher than the average production in the last five years.

The table below shows Morocco's grain production breakdown by crop for the 2010 harvest compared to production in 2009.

Crop	Production (MMT) 2009	Production (MMT) 2010	% Change
Soft Wheat	4.30	3.25	-24.4%
Durum Wheat	2.10	1.64	-21.9%
Barley	3.80	2.57	-32.4%
Total	10.20	7.46	-26.6%

Total wheat production in 2010 is estimated at 4.89 million MT, of which 3.25 million MT soft wheat and 1.64 Millions MT durum wheat. It should be noted that the 2010 grain crop received inadequate rain during the planting season (October to mid-December) and experienced heavy rain falls during the growing season that caused flood damage in some crop areas in the Gharb (north) and Souss (south) regions. It is worth mentioning that the quantity of wheat collected from farmers by the National Cereal Office (ONICL) from the 2010 harvest, estimated at 1.1 million MT as of end of August, is about 27 percent lower than the amount collected last year.

The GOM Suspends Soft Wheat Import Duties

Due to the recent volatility of wheat prices in the world markets, the Moroccan government has decided to suspend the 135 percent customs duty on soft wheat imports effective September 16 until December 31, 2010. Under the tariff rate quotas (TRQs) of the U.S.-Morocco free trade agreement (FTA), soft wheat exports from the U.S. are currently subject to an import duty of 83.7 percent. This preferential rate for U.S. wheat exports will be practically ineffective with the suspension of the customs import duties starting September 16, 2010.

Moroccan officials have indicated that they have suspended soft wheat import duties to ensure regular supplies of bread wheat in the local market and to not be caught off guard by the volatility in the

international wheat market. One of the Moroccan government's main goals is to maintain affordable prices of flour and bread for the Moroccan consumers. Morocco imports about 3 to 4 million MT annually and it is projected that it will need to import at least one million MT between now and the end of this year to satisfy local needs.